

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

September 8, 1972

ACTION

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THE PRESIDENT HAS SEEN...

MEMORANDUM FOR:

THE PRESIDENT

FROM:

HENRY A. KISSINGER HK

SUBJECT:

Military Supply for Pakistan

The Pakistani Ambassador has asked if it would be possible to move a small amount of military equipment which belongs to Pakistan, but was caught up in the embargo when all military shipments to India and Pakistan were prohibited.

Background

You will recall that you told Pakistani Foreign Secretary Aziz Ahmed last spring that resumption of military supply would create too sharp a reaction in the Congress, but that you would look at the whole military supply question after the November election. President Bhutto has since indicated his understanding of this position. Most recently he told Secretary Connally that he would not want to do anything that would embarrass you before the election, but that after November he would like an opportunity to make representations about Pakistan's requirements.

Against this background, Ambassador Sultan Khan has now asked for the release of about \$1.7 million of military equipment which was in the process of shipment out of the U.S. at the time when all arms shipments to South Asia were halted last winter. There was, of course, a larger amount of equipment licensed or on order at the time of the embargo, but these are the cases of special current concern to the Ambassador; (a) an assortment of spare parts for aircraft, tanks, weapons and electronic equipment worth about \$935,000 being held in a New York warehouse at a monthly storage cost to the Pakistanis of \$1,500; (b) engines for Pakistani military aircraft (F-104, C-130, B-57, helicopter) worth about \$800,000 and owned by Pakistan but here for overhaul.

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There are also other inequities and financial hardships which American companies and the U.S. Government have had to bear as a result of the embargo. There is some \$17.2 involved for U.S. manufacturers and about \$16 million for the USG.

The Problem

There is no question about the fact that the \$1.7 million worth of equipment in immediate question belongs to Pakistan and should be returned. Serious consideration should also be given to correcting the other inequities caused by the embargo, including commercial hardship cases. The only real issue -- and it is a very sensitive one -- is when this should be done, both in terms of U.S. and Pakistani interests.

This problem of timing stems from the fact that any adjustments right now in the embargo that would allow any military shipments to Pakistan would jeopardize the Aid Bill and could turn our military supply policy toward South Asia into a campaign issue. There is a movement in Congress led by Senator Church to include in the Aid Bill a prohibition against all military assistance to South Asia and it was included in the original Senate version. The House version of the bill now under consideration does not, however, include this prohibition and we are hopeful about getting the Senate prohibition stricken. There is, of course, opposition and during the period between now and the passage of an aid bill any appearance that we are moving toward resumption of military assistance to Pakistan would strengthen the hand of those who claim that the only way to stop the Administration is to include a prohibition against all military supply to South Asia.

The problem, therefore, is essentially one of tactics. The \$1.7 million worth of equipment in question should in principle be released to Pakistan and could be now by simply issuing the necessary Munitions Control licenses. It is not, however, in either the U.S. or Pakistani interest that this be done in a way that jeopardizes the Aid Bill. In short, it would be wiser to hold back on the release of this shipment awhile longer and thereby preserve our ability to not only clean up other inequities and commercial hardships but to consider revising our entire arms policy toward South Asia after the election.

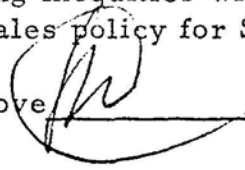
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Recommendation: Hold up on this Pak request until after action on the Aid Bill is completed or until after the election, whichever is later. At that time we can then take action to (1) release the \$1.7 million of equipment by issuing the necessary licenses and (2) resolve the issues of other existing inequities within the framework of an overall review of our military sales policy for South Asia.

Approve  *

Other _____

*Weinberger and Timmons recommend.

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